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SIPDIS

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STATE FOR NEA/ENA, ISN/NESS, AND EAP/K

E.O. 12958: N/A

TAGS: TRGY ENRG KNNP KS LY

SUBJECT: SOUTH KOREA NOT CONSIDERING PARTICIPATION IN LIBYAN NUCLEAR

POWER PROJECT

11. (SBU) Summary: An April 14 Financial Times article quoted a Libyan official as saying that Libya was in discussions with South Korea and other countries about a nuclear power plant project. On May 7, Embassy received a letter from the Ministry of Foreign Affairs and Trade (MOFAT) saying that Korea was concerned that the report may have sent the wrong message to Korea's U.S. ally. In fact, the letter said, Libya had approached Korea about cooperation on nuclear power, but Korea concluded that such cooperation would be premature. Korea prefers to start any cooperation with Libya more gradually with nuclear medicine or joint studies. Post had previously heard that Korea had held conversations with Indonesia and Vietnam about potential cooperation on nuclear energy, but this was the first we had heard about feelers from Libya. End summary.

12. (U) The Financial Times article, headlined "Libya to Get Nuclear Power Plant," says that Libya is pushing ahead with plans to build a civilian nuclear power plant with the hope that Western nations will provide technical and financial assistance. Quoting Matoug Matoug, Secretary-General of the General Peoples Committee on manpower,

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employment and training (also identified as former head of Libya's nuclear program), the article says that Libya has been in discussions about the project with U.S., Russian, French, Argentine and South Korean officials. "We will have the Koreans pretty soon, the Russians are coming, also the French, we are working on talking with them," Matoug reportedly said.

13. (SBU) On May 7, ESTH Chief received a letter dated May 2, signed by Park Noh-wan, Director of the Economic Security Division, Ministry of Foreign Affairs and Trade (MOFAT). Following is the text of the letter:

Begin text:

Regarding the issue of Korea's cooperation with Libya in the field of nuclear energy, I would like to inform you that the Korean government is not considering participation in the nuclear power plant program that the Libyan government is trying to set up.

As you many have seen in the Financial Times dated April 14, Mr. Matoug, Secretary-General of the General Peoples Committee of Manpower, Employment and Training, stated in an interview that the Libyan government had been in discussion about the nuclear power plant project with South Korea and added that South Korea would join the project pretty soon. The Korean Ministry of Foreign Affairs and Trade is concerned that the contents of this interview may have sent the wrong message to the United States, a close political and economic ally of the Republic of Korea.

In fact, last year Libya did propose to Korea cooperation in the nuclear sector, including on the SMART project and nuclear power plant construction. After analyzing relevant agency opinions and

Libya's current situation, the Ministry concluded that it would be premature to take part in the Libyan nuclear power plant project or negotiate an agreement of nuclear cooperation and that rather, it would be better to cooperate gradually starting from lower stages such as nuclear medicine or joint studies.

I hope the above explanation will clarify our stance on this matter for you and your government. In addition, we would welcome any requests for further discussion on this issue.

On behalf of the Ministry, I would like to respectfully ask for your continued assistance and support in further advancing the cooperative relations between our two countries in nuclear energy and other related areas.

End text.

- 14. (U) Note: SMART stands for "System-Integrated Modular Advanced Reactor," a small (330MW) pressurized water reactor with integral steam generators that Korea has been developing for applications such as seawater desalination and small-scale electricity generation. End note.
- 15. (SBU) Comment: Post had previously heard that Korea had held conversations with Indonesia and Vietnam about potential cooperation on nuclear power, but this the first we have heard about Libyan feelers in this area. End comment.
- 16. (U) Minimize considered. VERSHBOW